

# INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE  
ALCOHOL AND TOBACCO TAX DIVISION

WASHINGTON 25, D. C.

Industry Circular No. 59-62

December 11, 1959

## CONTINUED USE OF EXISTING WITHDRAWAL PERMITS ON AND AFTER JANUARY 1, 1960

Specially denatured alcohol and rum users and dealers,  
tax-free alcohol users, proprietors of distilled  
spirits plants, and others concerned:

Purpose. The purpose of this industry circular is to inform you of the continued use of existing withdrawal permits on and after January 1, 1960, and until new withdrawal permits are issued.

Background. Subparts M and N of 26 CFR Part 170, issued pursuant to the Internal Revenue Code as amended by the Excise Tax Technical Changes Act of 1958, required all permittees holding permits to deal in or use specially denatured spirits or to use tax-free spirits on June 30, 1959, to file applications for industrial use and withdrawal permits prior to July 1, 1959, if they intended to continue operations on and after July 1. In most instances new withdrawal permits were not issued pursuant to such applications. Except in the case of permittees desiring changes in the terms of their existing permits, it is intended that the existing permits remain in effect and use until the new regulations, 26 CFR Parts 211 and 213, become effective sometime in 1960.

Continued Use of Existing Withdrawal Permits. If you held a withdrawal permit on June 30, 1959, and filed an application for a new withdrawal permit before July 1, 1959, you will continue to withdraw specially denatured spirits or tax-free alcohol, as the case may be, under the permit in force on June 30, 1959, until the assistant regional commissioner (alcohol and tobacco tax) takes action on your application. This holds true even though such permit would ordinarily expire as of December 31, 1959. The quantity of tax-free or specially denatured alcohol which you may withdraw, beginning with January 1, 1960, and continuing until the new withdrawal permit is issued and effective, will be the same as that which could have been withdrawn during the same period which began in January of 1959.

Entries on the Withdrawal Permits. Entries covering withdrawals on and after January 1, 1960, will be made by the supplier on the back of your withdrawal permit in the same manner as entries prior thereto. If available space for such entries becomes exhausted, additional space should be provided by attaching a letter-size sheet of paper to the bottom of the permit (reverse side),

with scotch tape or other suitable adhesive. The lines between the various columns should be extended down the additional sheet and the entries should be continued on such sheet in regular sequence.

Inquiries. Inquiries in regard to this industry circular should refer to its number and should be addressed to your assistant regional commissioner (alcohol and tobacco tax).

*Dwight E. Avis*

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Director, Alcohol and Tobacco Tax Division